

AMENDED IN SENATE APRIL 27, 2005

**SENATE BILL**

**No. 1022**

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**Introduced by Senator Campbell**

February 22, 2005

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An act to amend ~~Section 17375 of~~ *Sections 17001, 17005, 17051, and 17375 of*, and to add *Section 17400 to*, the Corporations Code, relating to limited liability companies.

LEGISLATIVE COUNSEL'S DIGEST

SB 1022, as amended, Campbell. Limited liability companies.

The Beverly-Killea Limited Liability Company Act generally authorizes a business to organize as a limited liability company and to engage in any lawful business activity, except the banking business, the business of issuing policies of insurance and assuming insurance risks, or the trust company business. Existing law provides that this general authorization does not permit a limited liability company to render professional services, defined to mean any type of professional services that may be lawfully rendered only pursuant to a license, certification, or registration authorized by the Business and Professions Code, the Chiropractic Act, or the Osteopathic Act.

~~This bill would instead authorize a domestic limited liability company to be organized to render any professional services in this state, other than professional services in a profession that requires a license that is issuable solely to a natural person under the Business and Professions Code, the Chiropractic Act, or the Osteopathic Act.~~

*This bill would authorize the formation of professional limited liability companies to provide specified professional services, and would require professional limited liability companies to meet certain requirements.*

*Existing law allows a limited liability company to vary certain statutory provisions relative to formation, dissolution, class and derivative actions by members, merger, and dissenting member rights only to the extent expressly, and requires that a variance be in the articles of organization or a written operating agreement.*

*This bill would delete the requirement that an operating agreement varying these provisions be in writing. The bill would also delete the provisions related to class and derivative actions by members, and would add provisions related to professional limited liability companies.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 17001 of the Corporations Code is  
2     amended to read:  
3     17001. Unless the context otherwise indicates, the following  
4     definitions govern the construction of this title:  
5     (a) “Acknowledged” means that an instrument is either of the  
6     following:  
7         (1) Formally acknowledged as provided in Article 3  
8         (commencing with Section 1180) of Chapter 4 of Title 4 of Part  
9         4 of Division 2 of the Civil Code.  
10        (2) Executed to include substantially the following wording  
11        preceding the signature: It is hereby declared that I am the person  
12        who executed this instrument, which execution is my act and  
13        deed.  
14     Any certificate of acknowledgment taken without this state  
15     before a notary public or a judge or clerk of a court of record  
16     having an official seal need not be further authenticated.  
17     (b) “Articles of organization” means articles of organization  
18     filed under Section 17050, including all amendments thereto or  
19     restatements thereof, or, in the case of a foreign limited liability  
20     company, all documents that serve a like function under the laws  
21     of the jurisdiction in which the foreign limited liability company  
22     is organized.  
23     (c) “Bankrupt” or “bankruptcy” means, with respect to any  
24     person, being the subject of an order for relief under Title 11 of

1 the United States Code, or any successor statute or other statute  
2 in any foreign jurisdiction having like import or effect.

3 (d) “Capital account” means, unless otherwise provided in the  
4 operating agreement, the amount of the capital interest of a  
5 member in the limited liability company consisting of that  
6 member’s original contribution, as (1) increased by any  
7 additional contributions and by that member’s share of the  
8 limited liability company’s profits, and (2) decreased by any  
9 distribution to that member and by that member’s share of the  
10 limited liability company’s losses.

11 (e) “Constituent limited liability company” means a limited  
12 liability company that is merged with or into one or more other  
13 limited liability companies or other business entities and includes  
14 a surviving limited liability company.

15 (f) “Constituent other business entity” means any other  
16 business entity that is merged with or into one or more limited  
17 liability companies and includes a surviving other business  
18 entity.

19 (g) “Contribution” means any money, property, or services  
20 rendered, or a promissory note or other binding obligation to  
21 contribute money or property, or to render services as permitted  
22 in this title, which a member contributes to a limited liability  
23 company as capital in that member’s capacity as a member  
24 pursuant to an agreement between the members, including an  
25 agreement as to value.

26 (h) “Disappearing limited liability company” means a  
27 constituent limited liability company that is not the surviving  
28 limited liability company.

29 (i) “Disappearing other business entity” means a constituent  
30 other business entity that is not the surviving other business  
31 entity.

32 (j) “Distribution” means the transfer of money or property by  
33 a limited liability company to its members without consideration.

34 (k) “Domestic” means organized under the laws of this state  
35 when used in relation to any limited liability company, other  
36 business entity or person (other than a natural person).

37 (l) “Domestic corporation” means a corporation as defined in  
38 Section 162.

39 (m) “Domestic limited partnership” means a partnership  
40 formed by two or more persons under the laws of this state and

1 having one or more general partners and one or more limited  
2 partners.

3 (n) “Economic interest” means a person’s right to share in the  
4 income, gains, losses, deductions, credit, or similar items of, and  
5 to receive distributions from, the limited liability company, but  
6 does not include any other rights of a member, including, without  
7 limitation, the right to vote or to participate in management, or,  
8 except as provided in Section 17106, any right to information  
9 concerning the business and affairs of the limited liability  
10 company.

11 (o) (1) “Electronic transmission by the limited liability  
12 company” means a communication (a) delivered by (1) facsimile  
13 telecommunication or electronic mail when directed to the  
14 facsimile number or electronic mail address, respectively, for that  
15 recipient on record with the limited liability company, (2) posting  
16 on an electronic message board or network that the limited  
17 liability company has designated for those communications,  
18 together with a separate notice to the recipient of the posting,  
19 which transmission shall be validly delivered upon the later of  
20 the posting or delivery of the separate notice thereof, or (3) other  
21 means of electronic communication, (b) to a recipient who has  
22 provided an unrevoked consent to the use of those means of  
23 transmission, and (c) that creates a record that is capable of  
24 retention, retrieval, and review, and that may thereafter be  
25 rendered into clearly legible tangible form. However, an  
26 electronic transmission by a limited liability company to an  
27 individual member is not authorized unless, in addition to  
28 satisfying the requirements of this section, the transmission  
29 satisfies the requirements applicable to consumer consent to  
30 electronic records as set forth in the Electronic Signatures in  
31 Global and National Commerce Act (15 U.S.C. Sec. 7001(c)(1)).

32 (2) “Electronic transmission to the limited liability company”  
33 means a communication (a) delivered by (1) facsimile  
34 telecommunication or electronic mail when directed to the  
35 facsimile number or electronic mail address, respectively, which  
36 the limited liability company has provided from time to time to  
37 members or managers for sending communications to the limited  
38 liability company, (2) posting on an electronic message board or  
39 network that the limited liability company has designated for  
40 those communications, and which transmission shall be validly

1 delivered upon the posting, or (3) other means of electronic  
2 communication, (b) as to which the limited liability company has  
3 placed in effect reasonable measures to verify that the sender is  
4 the member or manager (in person or by proxy) purporting to  
5 send the transmission, and (c) that creates a record that is capable  
6 of retention, retrieval, and review, and that may thereafter be  
7 rendered into clearly legible tangible form.

8 (p) “Foreign corporation” means a corporation formed under  
9 the laws of any state other than this state or under the laws of the  
10 United States or of a foreign country.

11 (q) “Foreign limited liability company” means either (1) an  
12 entity formed under the limited liability company laws of any  
13 state other than this state, or (2) an entity organized under the  
14 laws of any foreign country that is (A) an unincorporated  
15 association, (B) organized under a statute pursuant to which an  
16 association may be formed that affords each of its members  
17 limited liability with respect to the liabilities of the entity, and  
18 (C) not an entity that is required to be registered or qualified  
19 pursuant to the provisions of Title 1 (commencing with Section  
20 100) or Title 2 (commencing with Section 15001); but the term  
21 “foreign limited liability company” does not include a foreign  
22 association, as defined in Section 170.

23 (r) “Foreign limited partnership” means a partnership formed  
24 under the laws of any state other than this state or under the laws  
25 of a foreign country and having as partners one or more general  
26 partners and one or more limited partners or their equivalents  
27 under any name.

28 (s) “Foreign other business entity” means any other business  
29 entity formed under the laws of any state other than this state or  
30 under the laws of the United States or of a foreign country.

31 (t) “Limited liability company” or “domestic limited liability  
32 company” means an entity having one or more members that is  
33 organized under this title and is subject to the provisions of  
34 Section 17101.

35 (u) “Mail” unless otherwise provided in the operating  
36 agreement, means first-class mail, postage prepaid, unless  
37 registered mail is specified. Registered mail includes certified  
38 mail.

39 (v) “Majority in interest of the members,” unless otherwise  
40 provided in the operating agreement, means more than 50 percent

1 of the interests of members in current profits of the limited  
2 liability company.

3 (w) “Manager” means a person elected by the members of a  
4 limited liability company to manage the limited liability  
5 company if the articles of organization contain the statement  
6 referred to in subdivision (b) of Section 17151 or, if the articles  
7 of organization do not contain that statement, “manager” means  
8 each of the members of the limited liability company.

9 (x) “Member” means a person who:

10 (1) Has been admitted to a limited liability company as a  
11 member in accordance with the articles of organization or  
12 operating agreement, or an assignee of an interest in a limited  
13 liability company who has become a member pursuant to Section  
14 17303.

15 (2) Has not resigned, withdrawn, or been expelled as a  
16 member or, if other than an individual, been dissolved.

17 (y) “Member of record” means a member named as a member  
18 on the list maintained in accordance with paragraph (1) of  
19 subdivision (a) of Section 17058.

20 (z) “Membership interest” means a member’s rights in the  
21 limited liability company, collectively, including the member’s  
22 economic interest, any right to vote or participate in  
23 management, and any right to information concerning the  
24 business and affairs of the limited liability company provided by  
25 this title.

26 (aa) “Officer” means any person elected or appointed pursuant  
27 to Section 17154.

28 (ab) “Operating agreement” means any agreement, written or  
29 oral, between all of the members as to the affairs of a limited  
30 liability company and the conduct of its business in any manner  
31 not inconsistent with law or the articles of organization,  
32 including all amendments thereto, or, in the case of a foreign  
33 limited liability company, all documents that serve a like  
34 function under the laws of the jurisdiction in which the foreign  
35 limited liability company is organized. The term “operating  
36 agreement” may include, without more, an agreement between  
37 all the members to organize a limited liability company pursuant  
38 to the provisions of this title.

39 (ac) “Other business entity” means a corporation, limited  
40 partnership, general partnership, business trust, real estate

1 investment trust, or an unincorporated association (other than a  
2 nonprofit association), but excluding a domestic limited liability  
3 company and a foreign limited liability company.

4 (ad) “Parent,” when used in relation to a specified limited  
5 liability company, means a person who owns, directly or  
6 indirectly, membership interests possessing more than 50 percent  
7 of the voting power of the specified limited liability company.  
8 When used in relation to a specified corporation or limited  
9 partnership, the term “parent” shall have the meanings set forth  
10 in Section 1200 and subdivision (v) of Section 15611,  
11 respectively.

12 (ae) “Person” means an individual, partnership, limited  
13 partnership, trust, estate, association, corporation, limited liability  
14 company, or other entity, whether domestic or foreign.

15 (af) ~~[RESERVED]~~ *“Professional corporation” means a*  
16 *professional corporation as defined in subdivision (b) of Section*  
17 *13401.*

18 (ag) ~~[RESERVED]~~ *“Professional limited liability company”*  
19 *means a limited liability company that is engaged in rendering*  
20 *professional services in a single profession set forth in*  
21 *subdivision (a) of Section 17400, except as otherwise authorized,*  
22 *or for a professional corporation under Section 13401.5,*  
23 *pursuant to a certificate of registration issued by a governmental*  
24 *agency regulating the profession as herein provided, and that in*  
25 *its practice or business designates itself as a professional or*  
26 *other limited liability company, as may be required by statute.*

27 (ah) ~~[RESERVED]~~ *“Professional services” means any type of*  
28 *professional services that may only be lawfully rendered*  
29 *pursuant to a license, certification, or registration authorized by*  
30 *the Business and Professions Code or the Chiropractic Act.*

31 (ai) “Proxy,” unless otherwise provided in the operating  
32 agreement, means a written authorization signed or an electronic  
33 transmission authorized by a member or the member’s  
34 attorney-in-fact giving another person the power to exercise the  
35 voting rights of that member. “Signed,” for the purpose of this  
36 section, means the placing of the member’s name on the proxy  
37 (whether by manual signature, typewriting, telegraphic or  
38 electronic transmission, or otherwise) by the member or  
39 member’s attorney-in-fact.

1 A proxy may be transmitted by an oral telephonic transmission  
2 if it is submitted with information from which it may be  
3 determined that the proxy was authorized by the member, or by  
4 the member's attorney-in-fact.

5 (aj) "Return of capital," unless otherwise provided in the  
6 operating agreement, means any distribution to a member to the  
7 extent that the member's capital account, immediately after the  
8 distribution, is less than the amount of that member's  
9 contributions to the limited liability company as reduced by prior  
10 distributions that were a return of capital.

11 (ak) "State" means a state, territory, or possession of the  
12 United States, the District of Columbia, or the Commonwealth of  
13 Puerto Rico.

14 (al) "Subsidiary of a specified limited liability company"  
15 means a limited liability company or other business entity in  
16 which shares, interests, or other securities possessing more than  
17 50 percent of the voting power are owned by the specified  
18 limited liability company.

19 (am) "Surviving limited liability company" means a limited  
20 liability company into which one or more other limited liability  
21 companies or other business entities are merged.

22 (an) "Surviving other business entity" means an other business  
23 entity into which one or more limited liability companies are  
24 merged.

25 (ao) "Time a notice is given or sent," unless otherwise  
26 expressly provided, means the time a written notice is deposited  
27 in the United States mail; is personally delivered to the recipient,  
28 is delivered to a common carrier for transmission, or is actually  
29 transmitted by the person giving the notice by electronic  
30 transmission, to the recipient; or the time any oral notice is  
31 communicated, in person or by telephone, to the recipient or to a  
32 person at the office of the recipient who the person giving the  
33 notice has reason to believe will promptly communicate it to the  
34 recipient.

35 (ap) "Transact intrastate business" means to enter into  
36 repeated and successive transactions of business in this state,  
37 other than in interstate or foreign commerce.

38 (1) Without excluding other activities which may not be  
39 considered to be transacting intrastate business, a foreign limited  
40 liability company shall not be considered to be transacting



1 intrastate business merely because its subsidiary transacts  
2 intrastate business, or merely because of its status as any one or  
3 more of the following:

4 (A) A shareholder of a domestic corporation.

5 (B) A shareholder of a foreign corporation transacting  
6 intrastate business.

7 (C) A limited partner of a foreign limited partnership  
8 transacting intrastate business.

9 (D) A limited partner of a domestic limited partnership.

10 (E) A member or manager of a foreign limited liability  
11 company transacting intrastate business.

12 (F) A member or manager of a domestic limited liability  
13 company.

14 (2) Without excluding other activities which may not be  
15 considered to be transacting intrastate business, a foreign limited  
16 liability company shall not be considered to be transacting  
17 intrastate business within the meaning of this subdivision solely  
18 by reason of carrying on in this state any one or more of the  
19 following activities:

20 (A) Maintaining or defending any action or suit or any  
21 administrative or arbitration proceeding, or effecting the  
22 settlement thereof, or the settlement of claims or disputes.

23 (B) Holding meetings of its managers or members or carrying  
24 on any other activities concerning its internal affairs.

25 (C) Maintaining bank accounts.

26 (D) Maintaining offices or agencies for the transfer, exchange,  
27 and registration of the foreign limited liability company's  
28 securities or maintaining trustees or depositaries with respect to  
29 those securities.

30 (E) Effecting sales through independent contractors.

31 (F) Soliciting or procuring orders, whether by mail or through  
32 employees or agents or otherwise, where those orders require  
33 acceptance without this state before becoming binding contracts.

34 (G) Creating or acquiring evidences of debt or mortgages,  
35 liens, or security interests in real or personal property.

36 (H) Securing or collecting debts or enforcing mortgages and  
37 security interests in property securing the debts.

38 (I) Conducting an isolated transaction that is completed within  
39 180 days and not in the course of a number of repeated  
40 transactions of a like nature.

(3) A person shall not be deemed to be transacting intrastate business in this state merely because of its status as a member or manager of a domestic limited liability company or a foreign limited liability company registered to transact intrastate business in this state.

(aq) “Vote” includes authorization by written consent.

(ar) “Voting power” means the power to vote on any matter at the time any determination of voting power is made and does not include the right to vote upon the happening of some condition or event which has not yet occurred.

(as) “Withdrawal” includes the resignation or retirement of a member as a member.

(at) “Written” or “in writing” includes facsimile, telegraphic, and other electronic communication as authorized by this code.

*SEC. 2. Section 17005 of the Corporations Code is amended to read:*

17005. (a) Except as provided in subdivisions (b) and (c), relations among members and between the members and the limited liability company are governed by the articles of organization and operating agreement. To the extent the articles of organization or operating agreement do not otherwise provide, this title governs relations among the members and between the members and the limited liability company.

(b) The effect of the provisions of this title may be varied as among the members or as between the members and the limited liability company by the articles of organization or operating agreement, provided, however, that the provisions of Sections 17059, 17103, 17104, 17152, 17154, and 17155 may only be varied by the articles of organization or a written operating agreement. Notwithstanding the first sentence of this subdivision, neither the articles of organization nor the operating agreement may:

(1) Vary the definitions in Section 17001, except as specifically provided therein.

(2) Eliminate the right of a member pursuant to subdivision (c) of Section 17100 to assert that a provision in the operating agreement governing the termination of that member’s interest and the return of that member’s contribution was unreasonable under the circumstances existing at the time the agreement was made.

(3) Vary the voting requirements or voting rights set forth in subdivisions (b) and (c) of Section 17103.

(4) Vary a member's rights under Sections 17106 and 17453.

(c) The provisions of Chapter 2 (commencing with Section 17050), Chapter 8 (commencing with Section 17350), *Chapter 9 (commencing with Section 17375)*, Chapter 10 (commencing with Section 17450), ~~Chapter 11 (commencing with Section 17500)~~, Chapter 12 (commencing with Section 17550), and Chapter 13 (commencing with Section 17600) may be varied by the articles of organization or ~~by a written~~ operating agreement only to the extent expressly provided in those chapters.

(d) The fiduciary duties of a manager to the limited liability company and to the members of the limited liability company may only be modified in a written operating agreement with the informed consent of the members.

(e) The presence in certain provisions of this title of the words "unless otherwise provided in the articles of organization or operating agreement" or words of similar import does not imply that the effect of other provisions may not be varied as among the members by the articles of organization or operating agreement.

(f) If any provision of the articles of organization conflicts with one or more provisions of a written operating agreement, the articles of organization shall control.

*SEC. 3. Section 17051 of the Corporations Code is amended to read:*

17051. (a) The articles of organization shall set forth:

(1) The name of the limited liability company.

(2) The following statement:

The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the Beverly-Killea Limited Liability Company Act.

(3) ~~[RESERVED]~~ *If the limited liability company is to be a professional limited liability company, as defined in subdivision (ag) of Section 17001, the following statement, in addition to the statement required by paragraph (2):*

*This limited liability company is a professional limited liability company for the profession of \_\_\_\_\_. (The blank is to be completed with the profession for which the professional liability company is authorized by Chapter 9 (commencing with Section*

1 17375) or is authorized by reference to Chapter 9 (commencing  
2 with Section 17375).

3 (4) The name and address of the initial agent for service of  
4 process on the limited liability company who meets the  
5 qualifications specified in paragraph (1) of subdivision (b) of  
6 Section 17061, unless a corporate agent is designated, in which  
7 case only the name of the agent shall be set forth.

8 (5) If the limited liability company is to be managed by one or  
9 more managers and not by all its members, the statement referred  
10 to in subdivision (b) of Section 17151. If the limited liability  
11 company is to be managed by only one manager, the articles of  
12 organization shall contain a statement to that effect.

13 (b) It is not necessary to set out in the articles of organization  
14 any of the powers of a limited liability company enumerated in  
15 this title.

16 (c) The articles of organization may contain any other  
17 provision not inconsistent with law, including, but not limited to:

18 (1) A provision limiting or restricting the business in which  
19 the limited liability company may engage or the powers that the  
20 limited liability company may exercise or both.

21 (2) Provisions governing the admission of members to the  
22 limited liability company.

23 (3) The time at which the limited liability company is to  
24 dissolve.

25 (4) Any events that will cause a dissolution of the limited  
26 liability company.

27 (5) A statement of whether there are limitations on the  
28 authority of managers or members to bind the limited liability  
29 company, and, if so, what the limitations are.

30 (6) The names of the managers of the limited liability  
31 company.

32 (d) No limitation upon the business, purposes, or powers of the  
33 limited liability company contained in or implied by the articles  
34 of organization or the operating agreement may be asserted by  
35 any person, except in one of the following types of proceedings:

36 (1) In a proceeding by a member or the state to enjoin the  
37 doing of unauthorized business by the limited liability company  
38 or its managers or officers, if third parties have not acquired  
39 rights thereby.

40 (2) In a proceeding to dissolve the limited liability company.

(3) In a derivative proceeding by the limited liability company or by a member suing on the company's behalf against the officers or managers of the limited liability company for violation of their authority. However, the limitation may not be asserted if the person asserting the limitation had actual knowledge of the limitation at the time of the act or event complained of.

(e) The Secretary of State may cancel the filing of articles of organization if a check or other remittance accepted in payment of the filing fee is not paid upon presentation. Upon receiving written notification that the item presented for payment has not been honored for payment, the Secretary of State shall give a first written notice of the applicability of this section to the agent for service of process or to the person submitting the instrument. Thereafter, if the amount has not been paid by cashier's check or equivalent, the Secretary of State shall give a second written notice of cancellation and the cancellation shall be effective at that time. The second notice shall be given 20 days or more after the first notice and 90 days or less after the original filing.

*SEC. 4. Section 17375 of the Corporations Code is amended to read:*

17375. Nothing in this title shall be construed to permit a domestic or foreign limited liability company to render professional services, as defined in subdivision (a) of Section 13401 and in Section 13401.3, in this state, *except as provided in subdivision (a) of Section 17400.*

*SEC. 5. Section 17400 is added to the Corporations Code, to read:*

17400. (a) *A professional limited liability company is authorized for any of the following professions for which a professional corporation is authorized by statutory provisions that refer to Part 4 (commencing with Section 13400) of Division 3 of Title 1:*

- (1) *Licensed hearing aid dispensers.*
- (2) *Licensed auctioneers.*
- (3) *Licensed barbers and cosmetologists.*
- (4) *Licensed private investigators.*
- (5) *Licensed geologists and geophysicists.*
- (6) *Licensed automotive repair dealers.*
- (7) *Licensed equipment dealers.*

- 1 (8) *Licensed real estate appraisers.*
- 2 (9) *Licensed horse racing associations.*
- 3 (10) *Licensed boxers, wrestlers, and martial artists.*
- 4 (11) *Licensed gaming enterprises.*
- 5 (12) *Licensed advertisers.*
- 6 (13) *Certified interior designers.*
- 7 (14) *Licensed law libraries.*
- 8 (15) *Licensed legal document assistants.*
- 9 (16) *Licensed locksmiths.*
- 10 (17) *Licensed guide dog for the blind trainers.*
- 11 (18) *Licensed shorthand reporters.*
- 12 (19) *Licensed land surveyors.*
- 13 (20) *Licensed polygraph examiners.*
- 14 (21) *Licensed electronic and appliance repair dealers.*
- 15 (22) *Licensed home improvement salespersons.*
- 16 (23) *Licensed professional photocopiers.*
- 17 (24) *Licensed alcohol retailers and distributors.*
- 18 (25) *Licensed telephone equipment retailers.*
- 19 (26) *Licensed mule racers.*
- 20 (27) *Licensed process servers.*
- 21 (28) *Licensed ticket sellers.*
- 22 (29) *Licensed money exchange houses.*
- 23 (30) *Licensed cable television operators.*
- 24 (b) *The name of a professional limited liability company shall*
- 25 *comply with the requirements applicable to the name of a*
- 26 *professional corporation for that same profession, except the*
- 27 *name of the professional limited liability company may not*
- 28 *include wording in denoting corporate existence and shall meet*
- 29 *the requirements of Section 17052.*
- 30 (c) *A professional limited liability company and its member*
- 31 *shall be subject to the same indemnification and insurance*
- 32 *requirements that are applicable to a professional corporation*
- 33 *and shareholders for the same profession.*
- 34 (d) *A professional limited liability company shall be required*
- 35 *to file annual special reports with a governmental agency*
- 36 *regulating the profession and to pay the same fee as in the case*
- 37 *of a professional corporation through the same profession,*
- 38 *except that the report of a professional limited liability company*
- 39 *shall provide the required information as to the members,*
- 40 *managers and officers instead of the shareholders or directors.*

(e) Except for those professions referred to in subdivision (g), a professional limited liability company shall apply to a governmental agency regulating the profession for a certificate of registration as a professional limited liability company, prepare the same fees thereof as in the case of a professional corporation, except the application shall include information as to the members, managers and officers, instead of the shareholders and directors. The governmental agency shall issue a certificate of registration based on the same requirements and conditions applicable as in the case of an application for a certificate of registration as a professional corporation. Subject to all applicable statutes, rules and regulations, the professional limited liability company is thereupon authorized to practice that profession.

(f) The governmental agency regulating the profession has the same powers of suspension, revocation, and discipline against a professional limited liability company which it has against the professional corporation.

(g) The certificate of registration as a professional limited liability company shall not be required for a professional limited liability company for which any profession for which a certificate of registration as a professional corporation is not required by subdivision (b) of Section 13401. When a professional limited liability company for one of those professions satisfied all the other requirements, it is thereupon authorized to practice that profession.

(h) The professional limited liability company and its members, managers, officers, professional employees shall be subject to all requirements to which a professional corporation and its shareholders, directors, officers and professional employees are subject.

~~SECTION 1. Section 17375 of the Corporations Code is amended to read:~~

~~17375. A domestic limited liability company may be organized to render any professional services in this state, other than professional services in a profession that requires a license that is issuable solely to a natural person pursuant to the Business and Professions Code, the Chiropractic Act, or the Osteopathic Act. This section shall not be construed to authorize a limited liability company to engage in the banking business, the business~~

- 1 of issuing policies of insurance and assuming insurance risks, or
- 2 the trust company business.

O